

Do You Know Why Your Customers are Leaving?

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Following a service breakdown, there is always a possibility that you may never see the customer again. This is potentially disastrous to your organization since it costs five to six times as much to win a new customer as it takes to retain a current one. And, a dissatisfied customer is also likely to tell other people about his or her bad experience. For these reasons, you and others in your organization must be especially careful to identify and remedy potential and actual problem areas before they negatively impact the customer.

Poor service/Complacency

If customers perceive that you and/or your organization do not sincerely care about them or resolving their problem, they may go elsewhere. If an issue or concern is important enough for the customer to verbalize (formally or informally) or to write down, then it is important enough for you to take seriously. You should immediately address the issue by listening, gathering information, and taking appropriate action. This includes casual comments made by a customer such as, "You know, I sure wish you folks stocked a wider variety of rose bushes. I love shopping here but your selection is so limited." In this instance, you might write down the customer's name, phone number and address, then follow-up with your manager or product buyers about it. Additionally, practice your questioning skills by asking, "What color did you have in mind?" or "What is your favorite color?" If the customer had a specific request, you could pass that along. After doing so, you or someone else should try to obtain the item, and then contact the customer to discuss your efforts and findings. Sometimes the obvious solutions are the ones that are overlooked, so be perceptive when dealing with customers and look for little clues such as these. It could mean the difference in continued business and word of mouth publicity from your customer.

Inappropriate complaint resolution

The key to remember about complaint resolution is that it is the *customer's* perception of how well resolution occurred that counts; not yours. If customers believe that they were not treated fairly, honestly, in a timely manner and appropriate fashion, or that they are still dissatisfied (for any reason), your efforts failed. Remember that only a small percentage of your customers complain. Second attempts at resolutions by customers are often nonexistent! When a breakdown in complaint resolution occurs; it is usually a result of the customer's expectations of what you should (or will) do to resolve an issue not matching what you actually do. For example, assume that you are a front desk staff member at a hotel and a customer just called to complain that her television remote control was not working properly.

Since you get several such calls a day, you simply send a member of the bell staff with

new batteries to her room. Even if the batteries fix the problem, the fact that an engineer was not dispatched to handle the problem could create a service breakdown. This would be compounded if after putting the batteries into the remote herself, the device still did not work and she had to call back to the front desk a second time. In all likelihood, the customer was expecting someone to come and repair or replace the remote and to offer an apology for the inconvenience. If this does not happen, she will likely be less than satisfied because her expectations were not met. In other words, her perception of what you would do differed from your actions.

Needs are not met

Once you uncover a customer's needs through open-ended questioning or other approach, quickly decide on an appropriate action, product, or service to offer. Customers generally have very specific needs to which you must attend. When these are not addressed or are unsatisfactorily met, the customer is likely to seek an alternative source of fulfillment.

So often, service providers make the mistake of trying to project their personal needs onto others. Their feeling is that "I like it, so everybody should like it." However, today's diverse world requires you to be more knowledgeable and accepting of the ideas, values, beliefs, and needs of others. Failure to do so is only setting you, your organization, and your customers on a collision course. It is not worth the gamble because when it happens, nobody wins totally. Remember that trust in relationships is crucial and it can quickly be destroyed if something goes wrong or one person feels that another let him or her down.

Unfair treatment

When a customer *perceives* that he or she has been treated unfairly or worse, dishonestly, they are likely to leave. Additionally, they may do so angrily and follow up with formal complaints or retaliation (e.g. in the form of letters to advocacy groups, senior management, local news media, or even a lawsuit). To prevent a customer perception of being treated unfairly, take the time to focus on each person with whom you interact. Identify his or her needs using the interpersonal communication strategies already learned and then strive to help meet those needs. Additionally, ensure that you service all customers without the hint of inequity. For example, assume that a customer comes in to your bakery where there is a short line of customers waiting to be served. The customer orders a dozen bagels. Since she is a regular customer you throw in an extra bagel free. A few minutes later, a man steps to the counter and orders a dozen bagels. You do not offer him a free one. Could there be a perception of unfair treatment?

These are just a few of the issues facing today's service providers. The key is that you have to continually strive to anticipate and satisfy your customer's needs if you plan to be successful in developing ongoing relationships.

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